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SUBJECT: AUSTRIA'S OPPOSITION TO CZECH NUCLEAR POWER PLANT
HIGHLIGHTS ANTI-NUCLEAR POLICY

Summary

11. (SBU) The recent Czech decision to grant a final operating license for the controversial Temelin nuclear power plant has unleashed a barrage of criticism in Austria. State government officials in Upper Austria, which lies approximately 40 miles from Temelin, have been the most vehement critics. Upper Austrian officials maintain that the Czech action breaches the 2001 Melk Agreement between the GoA and GoC. Moreover, state level officials remain concerned that Temelin's safety standards are inadequate. Working level contacts in the federal government have characterized the Upper Austrian reaction as exaggerated, but acknowledge that the GoA may lodge a complaint with the International Court of Justice. Opposition to nuclear power in Austria cuts across political, regional, and generational differences. Temelin has become a symbol for Austria's anti-nuclear policy, which the GoA pursues on the local, national, and international levels. As one Green politician told us, "the only safe nuclear power plant is Austria's Zwentendorf," which anti-nuclear activists were able to shut down before it ever went into operation. End Summary

State of Upper Austria Concerned About Temelin

12. (U) On November 20, we met with Upper Austrian state government officials to discuss the Czech authorities' decision, as reported in Austrian press, to grant a final operating license for the controversial Temelin nuclear power plant. Temelin's two reactors have been operating on a trial basis since June 2002 and April 2003 respectively. Temelin, which lies approximately 40 miles from the Austrian border, has been a focal point for Austria's anti-nuclear policy and for the GoA's efforts to persuade other governments to renounce nuclear energy.

13. (SBU) Rudi Anschober, the Upper Austrian State Councilor for Environment and Energy Issues and head of the state's Green Party, told us that the federal government has an obligation, under the 2001 Melk Agreement, to engage the GoC to find a political solution.

The agreement, in Anschober's view, is a bilateral treaty, whose terms the Czechs must respect. According to Anschober, the European Commission should also become active in the dispute, because it helped broker the Melk Agreement. Anschober emphasized that the Upper Austrian Government would not participate itself in a border blockade, but he said it was a fact that, without progress, there would be popular support to block border crossings in December. (Note: On December 3, approximately 200 protestors blocked two border crossings for several hours. End Note) When we pressed Anschober, he admitted that, in his opinion, "the only safe nuclear power plant is Austria's Zwentendorf," which never began operations.

14. (SBU) In a separate meeting, Gerhard Loidl from the Upper Austrian Government's Office of Anti-Nuclear Issues told us he thought that CEZ, the state-owned operator of Temelin, would eventually have to shut down the reactor because of its inherently unstable combination of Russian and Western technology. He claimed that the cost to upgrade the plant was prohibitively expensive. Loidl cited a sinking concrete support plate, water spills, pipe leaks, turbine problems, unsafe valves, and non-functioning control rods as the main reasons why Temelin is unsafe for commercial use. Loidl acknowledged tensions between the Upper Austrian State Government and the Austrian federal government on this issue, speculating that behind-the-scenes business deals for Austrian firms had helped mollify concerns in Vienna.

Federal Government: "Upper Austria Concerns Exaggerated"

15. (SBU) We followed up on November 21 with Andreas Molin, Director of the Nuclear Co-ordination Division in the Federal Ministry of Agriculture and Environment, which has the lead on this issue. Molin confirmed that the GoA views the 2001 Melk Agreement as a bilateral treaty under the auspices of the EU Commission. According to the terms of the agreement, Temelin can only receive final approval to continue operations if its operators have fulfilled all relevant safety criteria. Austria had wanted to include the agreement in the Czech Republic's 2004 EU Accession Treaty, but, according to Molin, other "nuclear" Member States vetoed this idea.

16. (SBU) Molin said the Czech authorities clearly believe they have fulfilled the Melk Agreement requirements. Molin recalled that Prague and Vienna could not agree on a joint final report in 2004, so Austria had published one unilaterally. The Austrian report emphasized that there had been progress on safety issues, but noted that there were also outstanding issues. Molin said that his

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ministry does not consider the Czech action a breach of the agreement. However, he added that Minister Josef Proell has stated that "Austria reserves its right to take legal steps at the international level after reviewing official documents from the plant."

17. (SBU) The Austrian Parliament is considering a non-binding motion requesting the GoA to lodge a complaint with the International Court of Justice (ICJ), should the Czech Republic refuse to submit evidence that it has addressed all safety issues. Molin opined that the tough wording of the motion stemmed partially from the on-going negotiations to form a federal government in Vienna. Molin admitted there is little, if any, chance for a successful lawsuit for several reasons: the Melk Agreement is very vague; the two parties have not agreed to a dispute settlement procedure; and the Czech Republic does not recognize ICJ verdicts. In Molin's view, the Austrians should instead intensify their political discussions with the Czechs on the issue.

Broad Consensus in Austria for Anti-Nuclear Stance

18. (SBU) Austria's opposition to Temelin highlights the breadth of anti-nuclear policy sentiment in Austria. Support for this policy cuts across the political, generational, and regional spectrum. Austria has consistently argued against financial support for EU initiatives on nuclear power. Earlier this year, Austria succeeded in pushing through language on the 7th EU Research Directive that prohibits promoting new nuclear technologies within the framework of the Euro 4 billion EURATOM program. Austria actively attempts to persuade countries in Central and Eastern Europe -- Slovakia, Slovenia, the Czech Republic, Bulgaria and Ukraine -- to abandon nuclear energy.

19. (SBU) Austria opposes a more robust role for the IAEA in the development and construction of new generation power plants, as well as additional financial assistance for civilian nuclear power development. The GoA has instead argued for more stringent nuclear

safety standards and enhanced control measures to prevent misuse of civil nuclear programs for military purposes.

¶10. (SBU) Within international financial institutions (IFIs), Austria has consistently voted against financing for nuclear power plants, particularly in Eastern Europe. According to a 2005 Ministry of Finance strategy paper, Austrian representatives to IFIs should vote against financing for nuclear plants or projects connected to nuclear energy. These instructions allow for exceptions for the permanent disposal of radioactive waste or for de-commissioning nuclear plants.

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